Value Creation Process

In order to be a reassuring presence and a company sincerely appreciated by all, the TS TECH Group is working to create new value using a value creation process that makes the most of its diverse management resources. By ensuring this process evolves in response to changing societal needs, we will work to achieve sustainable growth hand in hand with the broader society in the years leading up to 2030 and beyond.

2030 Vision

Innovative quality company —Continued creation of new value—

Figures are all for fiscal 2023

INPUT

Intellectual capital

- Research and
- development expenses: 14.3 billion yen
- Number of patents held in Japan: 1,565 • Number of patents held outside Japan: 864

Manufactured capital

- Capital expenditures: 14.6 billion yen
- Production sites: Operations in 12 countries, 48 sites

Human capital

- Number of employees (Consolidated): 15,172
- Training expenditures per employee 20,060 yen (Non-consolidated):

Financial capital

· Consolidated total assets:

416.2 billion yen

- · Cash flows from operating activities:
 - 30.4 billion yen

Natural capital

• Energy input:

1,514 ⊤

Material input

17,616 t (Non-consolidated):

Social and relationship capital

• Stakeholder engagement



BUSINESS ACTIVITIES

Value chain











Materiality

Providing attractive, innovative new products and technologies that exceed society's expectations

Reducing impact by practicing environmentally friendly manufacturing to build a sustainable world

Respecting diversity and developing structures to maximize individual abilities

OUTPUT

BUSINESS

MODEL

Products for automobiles Seats

Door trims



Products for motorcycles Seats

Resin-based products



Other products

Seats for multipurpose off-road vehicles

Seats for personal watercraft

Chairs for medical use



OUTCOME

Value created through manufacturing

Delivering reliable safety to protect lives

We were the first in Japan to introduce a dynamic sled testing facility, which faithfully recreates the impact of a collision. We carry out tests anticipating all possible scenarios, and vehicle safety assessment organizations in various countries confirm that the completed seats meet the highest level of safety.





We are working hard to bring even more comfortable seats

Providing more comfortable automobile interiors

to market by conducting ongoing ergonomic research and working to design seats that feel comfortable the instant the person sits down while also preventing fatigue when driving for a long time.



Products that reduce environmental impact

We are helping to reduce environmental impact by supporting improving fuel efficiency and power consumption, exhaustively examining materials and processing technologies from the design stage, and pursuing improvements so that we can keep reducing weight and energy consumption of our products.







About 35% lighter in 10 years

Improving convenience with a variety of functions

A diverse range of seat arrangements to match different applications is essential in maximizing the use of the limited space in vehicles. We sensitively identify the needs of users, which can change every day, and deliver on our unique ideas with advanced technical skills.





Seats that can be stored with a pull of a cord

Value created by business activities

- (Eligible shareholders: 18,376) Social contribution activity
- Total dividend payout: **8.1** billion yen Number of social contribution activities conducted: **213**

expenditures (Non-consolidated):

- \bullet CO $_2$ emissions $^{\!\!\!\!\!\!\!\!^{+_1}}\!\!:$ $-16\%^{\!\!\!\!\!\!\!\!\!\!\!^{+_2}}$ • Waste output: -16%*2
- 43.44 million ven

TS TECH Integrated Report 2023 TS TECH Integrated Report 2023